



April 30, 2025

VIA ECF

The Honorable Zahid N. Quraishi
United States District Judge
Clarkson S. Fisher Building & U.S. Courthouse
402 East State Street Room 2020
Trenton, NJ 08608

**Re: Hayden Gateway LLC, et al. v. Advanced Flower Capital Inc., et al.,
Case No. 3:25-cv-2789, Letter Notice**

Dear Judge Quraishi:

Plaintiffs Hayden Gateway LLC (“Hayden”) and Bloc Dispensary LLC (“Bloc”) (jointly, “Plaintiffs”), respectfully submit this notice that this morning, something completely inexplicable just happened. Defendant AFC Agent LLC (“AFC”), through the same counsel representing AFC in this case, gave notice that it filed a lawsuit against Plaintiff’s parent company (JG HoldCo LLC) that seeks to circumvent the determination the Court will be making on Friday, notwithstanding the April 28, 2025 order to maintain the status quo. A copy of the lawsuit, attached hereto, alleges that the exact same purported “breach” that will be examined by this Court on Friday supposedly gives rise to claims and remedies against the borrowers’ corporate parent for, among other things, \$120+ million in damages.

AFC’s new lawsuit explicitly asks a New York state court to “[a]ward AFC a lien on and secured interest in all assets of JG HoldCo, and *authorize AFC to apply such assets to the satisfaction of the judgment*” and to freeze all of the Plaintiffs’ assets until they can be disposed of in AFC’s favor. In other words, the new lawsuit seeks to foreclose on Plaintiffs’ assets, even though the parties’ consent order prohibits precisely that.

This move is devastating to Plaintiffs and their business. AFC has just staked a claim to have the legal right to seize everything the company owns based on the purported breach of the loan at issue in this case. When word of this lawsuit gets out, every one of the company’s key creditors (several of whom were working through issues with Justice) will now feel obliged to race to sue Justice as fast as possible in order to protect themselves. And the damage will not be limited to other creditors. When news of this new suit spreads, Justice will become a “dead man walking” to anyone and everyone considering doing business with it.

AFC specifically asked the Court for the right to take legal actions and seek remedies during the pendency of the briefing, which counsel assured could just be dismissed later. The Court rejected that request, informing AFC that it would instead accommodate AFC’s desire to have a hearing as soon as it desired (as early as this past Monday). When attempting to persuade the Court not to enter any relief during the

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pendency of the briefing, AFC even informed the Court that it was in no hurry to rush to court. Having been enjoined anyway, AFC has now filed exactly what it said it was in no hurry to file—all after having been stopped from doing so.

The Court has accommodated AFC's request for sufficient time to submit an opposition brief which it has apparently used to instead bring a competing lawsuit as an end-run around the status quo order and Friday's hearing. Against that background, AFC's decision to sue Plaintiffs' parent company seeking the right to seize its assets (including not just Pennsylvania and New Jersey, but also everything else the company owns) during the pendency of the TRO period is disrespectful to the judicial process and to this Court.

Under the circumstances, AFC should be called upon to explain to this Court what in the world the rush was and how its actions do not violate the status quo order. Why was there supposedly an urgent need to file this new lawsuit against the corporate parent's assets just a few days before the injunction hearing? If AFC's goal was anything other than to try to destroy Plaintiffs' businesses while it still could, why the emergent need to act at this exact moment?

Dated: April 30, 2025

Respectfully submitted,
DYNAMIS LLP

By: /s/ Jamie Hoxie Solano
Jamie Hoxie Solano, Esq.
NJ Bar No. 426422024
(214) 454-8829
11 Park Place
New York, NY 10007
JSolano@dynamisllp.com

Michael B. Homer, Esq.
(617) 693-9732
MHomer@dynamisllp.com
Constantine Economides, Esq.
(305) 985-2959
ceconomides@dynamisllp.com
Eric Rosen, Esq.
(617) 802-9157
ERosen@dynamisllp.com
225 Franklin Street, 26th Floor
Boston, MA 02110

Pro hac vice applications pending

Attorneys for Plaintiffs